



# Venture Capital Funding Quarterly

## **Telecom • Wireless Mobile • Communications**

1<sup>st</sup> Quarter, 2011 – United States

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## Summary

Telecommunications, Wireless, Mobile and Communications technology startups raised \$554 million during Q1 2011, an increase of 144% from the previous quarter. 74 companies received funding, an increase of 35% quarter over quarter.

Three of the four sectors posted increased quarterly funding results - Wireless, Mobile and Communications, with only the Telecom sector tallying decreased funding amounts, dropping by 16%.

## Funding Activity

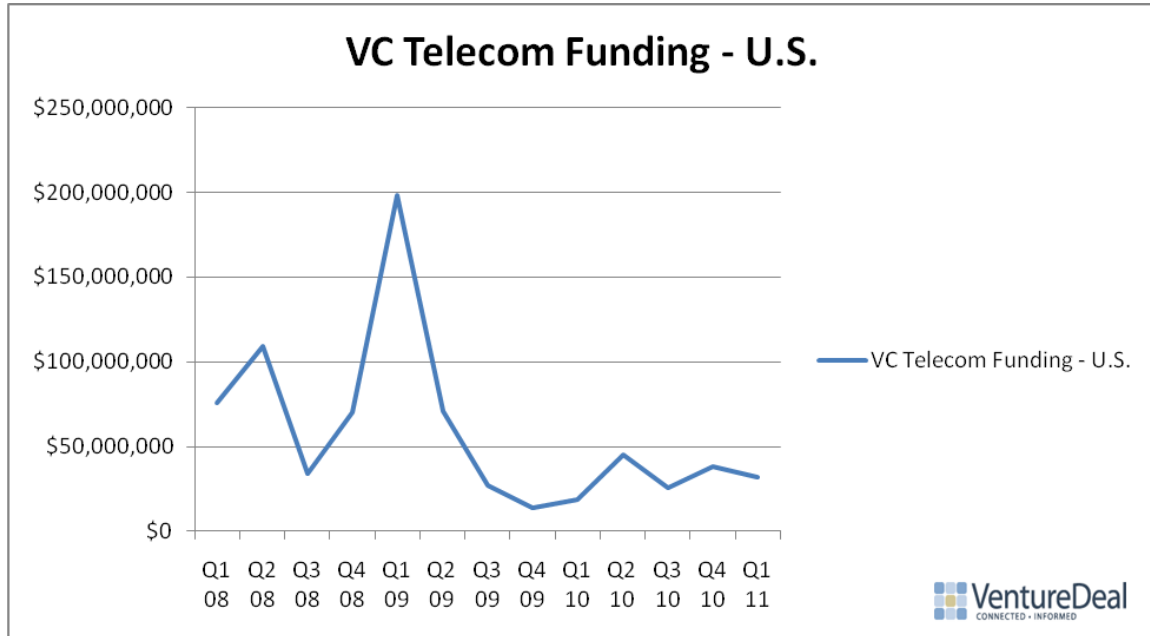
### Telecom

The Telecom sector reversed its previous quarterly increase in funding, with a 16% decrease in funding amounts for a total of \$32 million in funding during the quarter. The number of companies funded decreased from 5 in the previous quarter to 4 in the current quarter.

The largest funding event during the quarter was for [Bandwidth.com](#), which received \$20.5 million, according to an SEC regulatory filing. The company provides voice and Internet services to small and medium-sized businesses.

Herndon, Virginia-based [VOSS](#) received \$10 million from strategic investor [Intel Capital](#) and a syndicate of private equity and venture capital firms. VOSS said it would use the funds to continue developing its unified communications technologies that have been deployed in tier-one service providers.

### **Chart 1 - Telecom Funding - See Next Page**

**Chart 1 - Telecom Funding**


## Wireless

15 Wireless technology companies raised \$144 million during the quarter, an increase of 122% in dollar volume and an increase of 15% in the number of companies receiving funding versus the previous quarter. This represents a significant rebound from the sector's three-year financing amount low.

Four companies raised financing rounds in excess of \$15 million: [AirCell](#), [Aerohive Networks](#), [Stoke](#) and [SmartSynch](#).

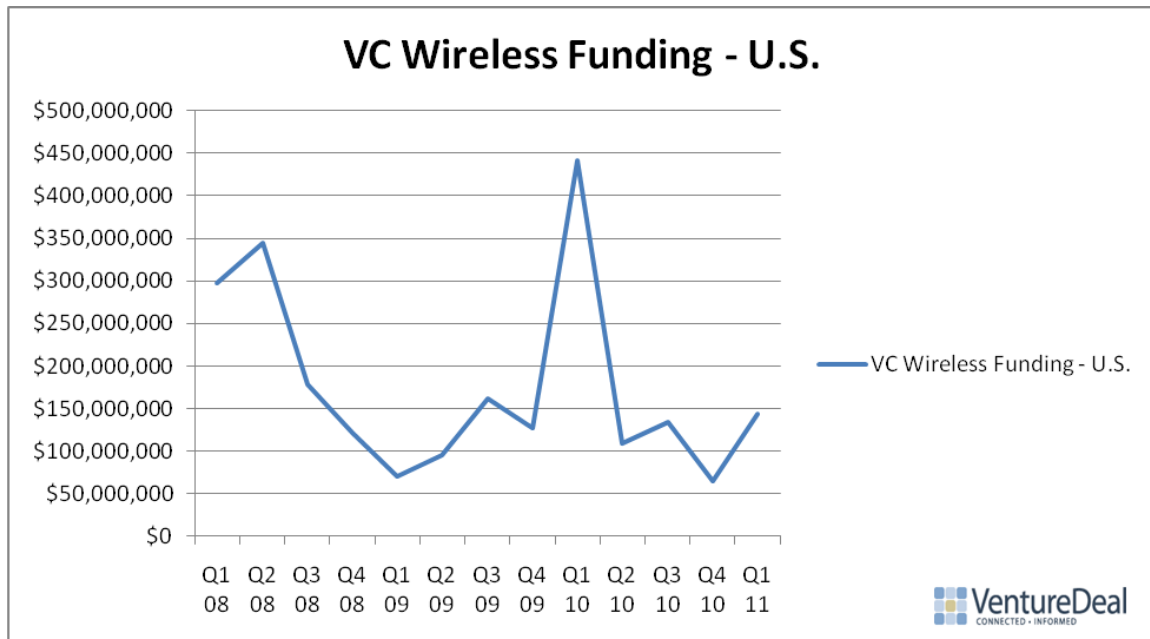
AirCell raised the largest round of the sector, receiving \$35 million from undisclosed investors. The company is using the money to develop what it calls "the first affordable North America-wide airborne broadband solution."

Aerohive Networks secured \$25 million in its fourth round from top-tier venture capital investors including [New Enterprise Associates](#). Aerohive said it would use the new funding to expand its sales and marketing capabilities globally.

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Stoke and SmartSynch raised \$17 million and \$25.7 million respectively. SmartSynch’s round was composed of venture debt financing and they are still seeking \$7.7 million in additional financing, according to an SEC regulatory filing.

**Chart 2 - Wireless Funding**



## Mobile

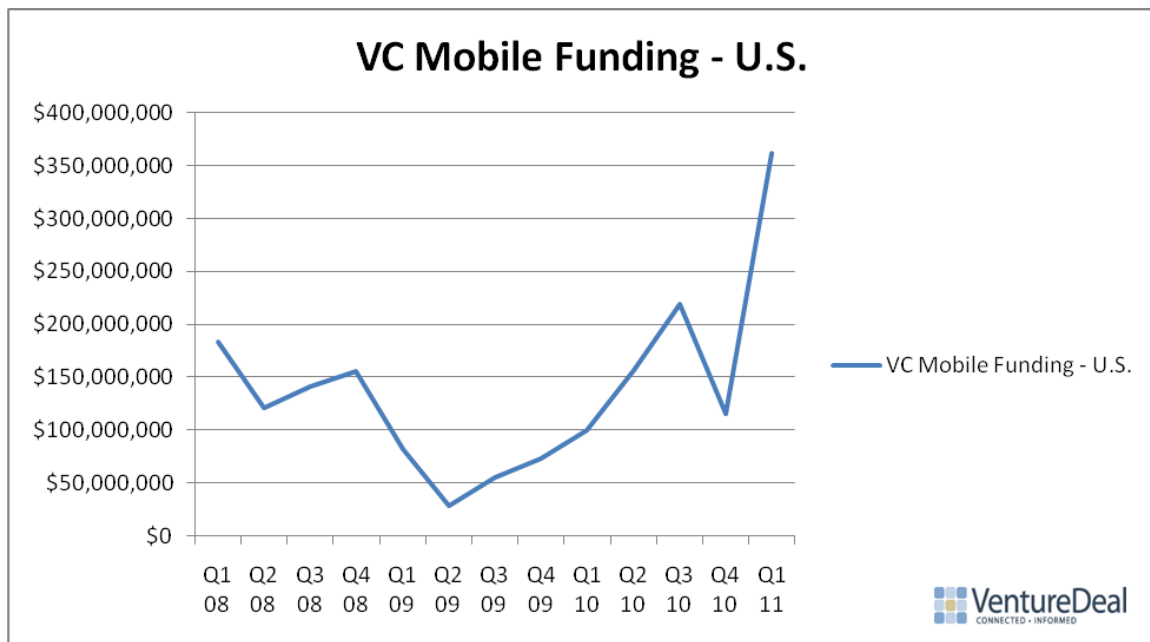
The Mobile sector reversed its previous quarterly drop, with 52 companies securing \$362 million in new funding, representing a 212% increase in funding amounts versus the previous quarter. The number of companies funded increased by 49%.

San Francisco, California-based [Jawbone](#) landed the largest round of the quarter, receiving \$49 million from multistage investor [Andreessen Horowitz](#). The company said it would use the funding to continue growing its team.

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Mobile software company [ZoomSafer](#) garnered \$1.1 million in private equity and venture capital financing. The company said it would use the financing to expand development and marketing of its software products that prevents motorists from texting and e-mailing while driving.

**Chart 3 - Mobile Funding**



## Communications

The Communications sector saw a doubling of funding volume, with this sector raising \$16 million during the quarter, an increase of 100% versus the previous quarter.

[Clickatell](#) secured \$12 million in its second round of institutional venture capital investment. The company is supported by top-tier venture capital firms such as [Sequoia Capital](#) and said it would use the funding to continue its expansion into new service areas and geographies.

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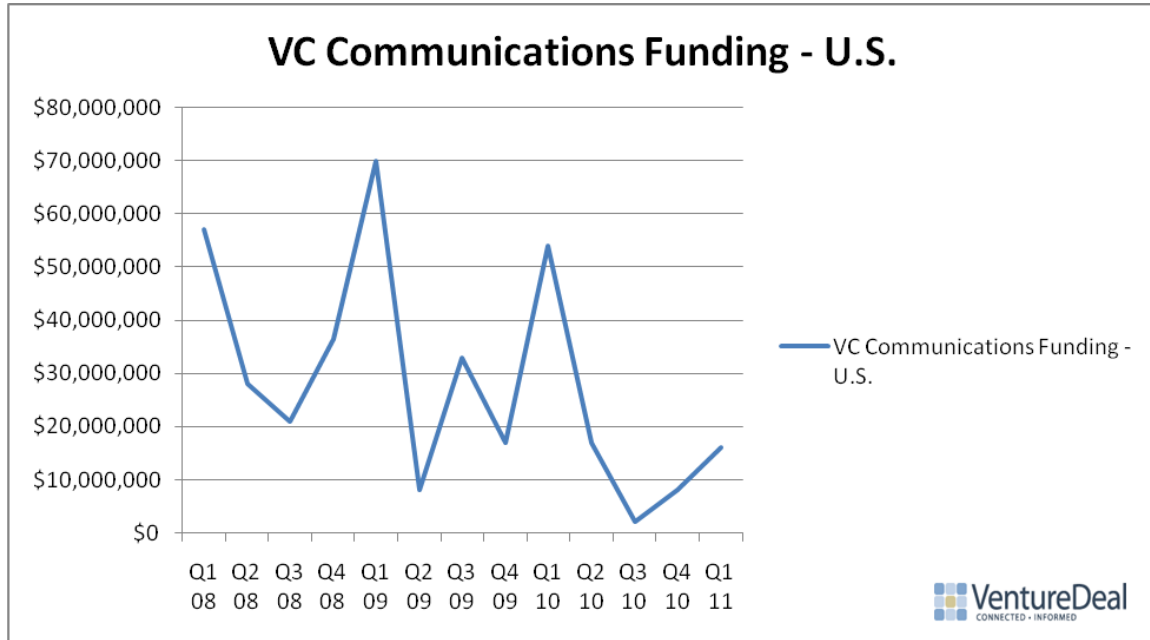
**Chart 4 – Communications Funding**


Table 1

**Venture Funding Activity – 1<sup>st</sup> Quarter 2011**

<b>Industry</b>	<b>Total Disclosed Funding</b>	<b>% Change Vs. Prior Quarter</b>	<b>Number of Companies Funded</b>	<b>% Change vs. Prior Quarter</b>
Telecom	\$32 million	- 16%	4	- 20%
Wireless	\$144 million	+ 122%	15	+ 15%
Mobile	\$362 million	+ 212%	52	+ 49%
Communications	\$16 million	+ 100%	3	+ 50%
<b>Total</b>	<b>\$554 million</b>	<b>+ 144%</b>	<b>74</b>	<b>+ 35%</b>

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## Notes

This report was prepared by the staff of VentureDeal, LLC.

The information source used was the [VentureDeal.com](http://VentureDeal.com) database. VentureDeal is a venture capital database that provides the latest information about venture-backed technology companies, venture capital firms and transactions in the United States.

The database obtains transaction and company information from a wide variety of reputable public and private sources. While this report is free of charge, users may view the individual transactions supporting the totals herein by subscribing to VentureDeal.

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